

Mobile phone sales up 21% in 2003

Worldwide Manufacturer Sales to End Users of Mobile Terminal Devices in 2003 (Thousands of Units)				
Company	2003 Sales	2003 Market Share (%)	2002 Sales	2002 Market Share (%)
Nokia	180,672.4	34.7	151,421.8	35.1
Motorola	75,177.1	14.5	72,852.6	16.9
Samsung	54,475.1	10.5	41,684.4	9.7
Siemens	43,754.3	8.4	34,618.0	8.0
Sony Ericsson	26,686.3	5.1	23,112.9	5.4
LG	26,213.7	5.0	13,797.6	3.2
Others	113,009.6	21.8	94,143.8	21.7
Total	519,988.5	100.0	431,631.0	100.0
Note: Table includes integrated digital enhanced network (iDEN) shipments, and wireless local loop (WLL). It excludes original design manufacturer (ODM) to original equipment manufacturer (OEM) shipments.				
Source: Gartner (March 2004)				

Strong replacement demand in mature markets coupled with higher than expected growth in emerging markets combined to deliver a record number of units sold in the mobile phone industry in 2003. Worldwide mobile

phone sales totalled 520m units, a 20.5% increase on 2002 sales, according to Gartner Inc.

“2003 sales surpassed industry expectations with the 4Q presenting a challenge to many

vendors as they struggled to meet supply,” said Gartner principal analyst Ben Wood. “This unprecedented demand is set to continue in 2004 with the Q1 already looking strong.

We’ve increased our market estimate for 2004 to 580m units.”

Nokia continued to lead the worldwide mobile phone industry, and became market leader in North America. But worldwide it faced a decline in market share.

“Sustained competition and aggressive pricing from existing players, loss of share in Western Europe and an increasing number of small players, particularly in Asia/Pacific, presented challenges to Nokia,” Wood said.

Motorola’s market share declined in the 4Q of 2003. However, rising sales this quarter of new products could result in a resurgence in Motorola’s market share in 2004.

Despite success late in the year, Motorola lost the lead position in the home market in North America, even with strong sales of integrated digital enhanced network (iDEN) products.

Samsung consistently held a 2003 global market share of approximately 10%. Its strategy of focusing on higher tier products, rather than the intensely competitive, lower-tier, low-margin segment, has been reflected in its high average selling prices and double-digit margins.

“The majority of the sales for Siemens were in low tier, low cost, low margin products, but it recorded very strong growth in the second half of 2003,” said Carolina Milanese, of Gartner. “Siemens’ products were ideally suited to emerging Eastern European markets, especially Russia. Its sales further strengthened as it took full advantage when some competitors were unable to meet the demand.”

LG was the No 5 vendor in worldwide mobile phone sales in the 4Q of 2003, and its success in the Indian market was instrumental in its strong growth. The company also had robust sales in the 4Q of 2003, some attributed to strength in North America.

“The Asia/Pacific market remained strong in 4Q, fully recovering from the impact of SARS earlier in the year,” said Gartner analyst, Ann Liang. “The vendor competition in China remained as fierce as ever, as local vendors fought for market share while the market continued to surge in India.”

Gartner Dataquest Alert “*Mobile Terminal Market Shares: Worldwide, 4Q 2003-Year End.*”

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